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10 lessons from AI's transformative year in wealth management
By Rob Burgess
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2025 proved to be a watershed year for artificial intelligence in the wealth management industry.

On the upside, AI-powered prospecting and note-taking were among the first areas where many advisors saw the technology add value to their businesses.

On the downside, some worried that over-automation, especially in the areas of investment and financial planning, could result in advisors being altogether replaced by AI at some point in the future.

With 2026 looking to be another fast-paced year for AI innovation and adoption, here are 10 things we learned about this burgeoning technology in 2025:

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Advisors have mixed emotions about AI
Financial Planning conducted several surveys this year that inquired about advisors' use of and feelings toward artificial intelligence. The research revealed a nearly even divide in the wealth management world's approach to AI adoption.

The inaugural "Cost of AI" research report, fielded this spring, found that roughly half of all surveyed financial advisors were moving forward with AI adoption, while the other half was holding back.

That split was also reflected in Financial Planning's June Financial Advisor Confidence Outlook, which found that most financial advisors were using generative artificial intelligence at least occasionally, but they generally felt more comfortable using it in their personal lives than at work.

Another proprietary Financial Planning study, the "AI Readiness Survey," conducted this fall, found that part of the reason for this hesitancy may be that advisors still rate soft skills above technical prowess when identifying the talents needed to thrive today.

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Firms are accelerating AI spending
Despite some individuals' hesitancy about the use of AI, firms appear to be speeding ahead with spending and building infrastructure for it.

For example, the annual Technology Tools for Today (T3) survey found that 41% of advisors were using one or more search or generative AI tools.

And while Financial Planning's "Cost of AI" report found that most firms were spending less than 10% of their tech budgets on AI, around 76% planned to up that outlay next year.

As Michael Kitces put it at this year's ADVISE AI conference, advisors are still in the "collective dabbler" stage of AI adoption.

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Compliance concerns are shaping how firms adopt AI
If advisors were to ask their compliance departments what keeps them up at night, the answer would likely be related to AI.

In fact, according to the 2025 Investment Management Compliance Testing Survey, AI use was far and away the most common concern for compliance officers in the wealth management industry.

And while startups like Hamachi have entered the scene to use AI for compliance, the overall feeling in the compliance corner of the industry is still one of hesitancy.

That's why firms that have successfully adopted AI considered compliance at the beginning of the process instead of waiting until the end.

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Advisors are increasingly using AI for prospecting
Prospecting is one area in which many advisors are seeing tangible gains from their use of AI tools (something Kitces noted during his ADVISE AI fireside chat).

Startups like FINNY have gained traction and funding from industry leaders, as advisors are increasingly interested in unleashing this technology to generate and approach leads.

And in the future, AI-powered simulation sandboxes may allow advisors a preview of how certain marketing and prospecting campaigns will be received, even before they're sent out.

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AI note-taking has become standard in many tech stacks
Besides prospecting, another area in which AI has seen widespread adoption in advisor tech stacks is note-taking, with tools like Jump and Zocks.

Advisors who have integrated these solutions say the technology has reduced the time spent on meeting preparation and allowed them to stay present during client meetings.

Yet some advanced AI technology, like wearable AI recording devices, raises questions for advisors who should consider that their clients may be recording, too.

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AI avatars are no longer theoretical
In 2025, tools emerged that allow users to quickly create a digital facsimile of themselves — an AI avatar — that can speak whatever words it's given.

This may be exciting for some tech-loving advisors who wish to test the waters with client communications. However, it has big posthumous implications for clients.

If you can make a digital AI avatar of yourself during life, what's to stop someone else from doing the same to you after death? It's a question estate planning conversations need to take into account.

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AI search is transforming SEO
Firms have spent years optimizing their websites to get noticed by search engines. But the advent of AI search calls those marketing playbooks into question.

In this new no-click search world, advisors who wish to be visible in online search results must shift their efforts to be sure they are included in the answers AI provides.

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AI is fueling advisor anxiety
Around four in 10 advisors were at least moderately concerned about aspects of their role being replaced by AI, according to Financial Planning's July survey of financial advisors.

Until this year, advancements in AI were mostly relegated to back-office processes. But in 2025 the technology moved into the front of the house as startups began offering AI-powered assistance with financial planning and investments.

And while many boosters seek to calm advisor fears by framing AI as an enhancement, not a replacement, others, like Fahad Hassan, CEO of the flat-fee wealth management startup Range, say replacing advisors is exactly what

they're after.

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Agentic AI is on the rise
This year also saw the rise of the next iteration of AI, which could have wide-ranging implications for wealth management firms.

Agentic AI can manage and execute end-to-end processes with little to no human interaction by breaking down large projects into smaller tasks within established guardrails.

That means an advisor could assign an AI agent a task with a specific goal. Then, the AI agent could figure out how to get there — saving the advisor valuable time that could be devoted to building client relationships.

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AI can create more problems than it solves
Of course, it's not all sunny for advisors who have decided to use AI tools in their workflows.

For one thing, AI is disrupting the first rung of the career ladder: Tasks that advisors just entering the profession used to do that helped them learn the business are now being automated at many firms.

Another dark spot involves the legal implications of AI use by advisors, as attorneys note an uptick in litigation. (Hint: Don't input sensitive client data into free AI tools.)

Inside tech stacks themselves, AI features are sometimes quietly built in — and it's not always clear how to turn them off without digging deep into the settings.

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